

From: Joel Stauring
Subject: Debit Card Fees

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Proposal: Study on Disclosures of Debit Card
Fees
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Comments:

@@@I am a former bank employee, having opened hundreds of accounts for individuals for many years. We are required to provide customers disclosures on fees and agreements. Few customers actually read them. Often customers come in later when they are assessed a fee explaining they were not told. I believe that in general banks do provide adequate disclosure of the fees. My concern is more with the retailer accepting the cards, than the bank.

Debit card based transactions are generally cheaper to process through merchant service terminals for the retailer. Therefore many retailers have started a policy of automatically choosing the debit option if the card has both capabilities. Debit card users may be unaware they have the choice at the retailer and get charged debit card transactions. This issue needs to be addressed as well.

The Federal Reserve does not have the authority to regulate the retail industry, but should partner with other agencies to make sure that debit card users are aware they may get charged for using debit transactions at a retailer and that they have the option to choose debit or credit at the register.
